



Indiana State Fair Commission

Foundation for the Future

- ✦ 2010 Accomplishments
- ✦ Strategic Planning Presentation
- ✦ 2011 Business Plan
- ✦ Income/Expense Summary
- ✦ 2011 Budget Summary

Indiana State Fairgrounds
1202 East 38th Street, Indianapolis, IN 46205
WWW.INDIANASTATEFAIR.COM





Indiana State Fair Commission 2010 Accomplishments



Indiana State Fair Commission 2010 Accomplishments

Overall Administration:

- Completed three-year strategic plan for the Commission
- Outsourced the security department to Securitas; a move that will improve the quality of our security staff and save the Commission approximately \$50,000 annually
- Formed two new committees with the Commission – 1) the Finance Audit Committee to recommend short and long term financial plans and evaluate current financial status and 2) the Development Committee to establish the feasibility of renovating the Pepsi Coliseum
- Reorganized staff into three primary teams, the Administration Team, the Event Producer Team and the Events Services Team, to eliminate “silos” in our operations and to maximize efficiency and budget
- Continued to bring international and national attention to the Indiana State Fairgrounds and our Great Indiana State Fair as our own Cindy Hoyer, serving as International Association of Fairs and Expo’s Chair, traveled around the country speaking at various conferences and meetings
- Hosted 11 charitable events in 2010 saving local charitable organizations over \$100,000 in facility rental
- Hosted events for several state agencies donating \$18,630 in facility rental
- Hosted Boots & Bling, a Fair kick-off party that sponsors youth – raised \$30,000 for the Youth Development Fund
- Conducted large animal safety training class with the State Board of Animal Health for 15 security and maintenance personnel
- Installed electronic time and attendance systems (swipe cards) in Gates/Parking and Facility Maintenance
- Created an “Accounting Policies and Procedures” manual - contains explicit instructions for performing each of the functions of the Accounting Office, as well as detailing the policies that affect daily operations

- Brought our aged checks into compliance with state regulations regarding unclaimed property. At the beginning of the process, there was over \$45,000 in unclaimed funds. By the end of the due diligence period, we submitted just over \$17,000 to the Attorney General's Unclaimed Property division.
- Accounting has moved from a private sector collections agency to using the Attorney General's Collections Division to aid in collecting outstanding accounts receivable
- Purchased EMBS maintenance module to help track maintenance back to events and facilities
- Reorganized the Supplies Department to create separate supplies/inventory and purchasing functions
- Began implementation of new inventory control system in the Supplies Department
- Successfully completed mandated exercises from State Personnel and other agencies: online training or retraining of all ISFC employees and special state appointees on state ethics policies
- Offered educational seminars for employees in retirement planning and health insurance alternatives offered by the state

Indiana State Fair:

- Approved 17-day format for future Fair dates for 2012 and 2013: Aug. 3 – 19, 2012 and Aug. 2 – 18, 2013
- Mitigated our drop (due to the economy) in sponsorship revenue of \$194,978 by charging for parking at the Deaf School with revenue of over \$175,000
- Launched 3 new social media efforts - iPod and Droid application, ISF Blog and Foursquare
- IAFE Agricultural Awards – won six first place awards plus Best of Division and Judges Choice Award
- IAFE Hall of Fame Communications Awards – won three first place awards and Best Overall Campaign
- 2010 International Academy of Visual Arts Gold WEBBY Award - won for the Indiana State Fair website
- “Keep Indianapolis Beautiful” 2010 Monumental Affair Community Development Award - won for the Boy Scouts of America Legacy Project Bridge
- Diverse, successful entertainment programming from five Grandstand shows with more than 10,000 in attendance (KISS, Drake, Keith Urban, Selena Gomez –sold out, Sugarland), to free entertainment of Rick Springfield and attractions of Bridges of Japan and God Bless America special exhibits and Habitat for Humanity home build
- Exceeded grandstand gross ticket sales by 19% of projection, setting record grandstand revenue for the Indiana State Fair. Gross revenue in concert merchandise sales was more than \$60,000 (\$16,000 more than in 2009)
- By bringing in an independent concessionaire to operate the former Sheep Breeders concession area, gross sales increased by 8% which increased the Fair's gross revenue by 77% from this stand

- ISF Gift Shop exceeded 2009 sales by more than \$6,000
- Successfully captured five (Chevrolet, Chrysler, Eastgate/Westgate Chrysler Jeep Dodge, Jeep, Mazda) automobile sponsors for 2010 despite dismal year for the automobile industry
- Conducted a successful Indiana State Fair Job Fair – 1,402 candidates received initial interviews at the four-hour event
- Employed 45 fundraising groups equaling over 1,500 volunteers during the 2010 Fair
- Tent expenses with new tent company were \$41,400 less than in 2009
- Decorating expenses were \$15,600 under the bid package pricing
- Cross-trained accounting employees to perform Concession collections during the Fair
- Brought check-in and payment collection procedures for the 2010 Sale of Champions in-house; a duty that had previously been performed by outside contractors

Year-Round Operation:

- Hosted Mini Indy Grand Nationals in July; brought in \$21,000 in camping revenue
- Booked NFL Commissioner's VIP Party weekend of Super Bowl 2012
- Renewed marketing efforts to help shows/promoters: offered new free opportunities i.e. discount email blasts, Facebook & Twitter contest ticket giveaways, Blue Ribbon Blogs and new paid opportunities i.e. digital billboard
- Participation in the "State's Largest Classroom" programming for spring and fall increased to 4,986 students
- Provided a free neighborhood Safe Night Halloween experience for more than 3,100 families in attendance – highest attendance in seven years
- Increased public ice skating rental rates by 25%; revenue and attendance has increased for the 2010-2011 season to date

Facility Improvements:

- Built a permanent walk bridge in honor of the Boy Scout Legacy Project
- Enhanced signage at concession stations throughout the Pepsi Coliseum
- Renovated and expanded 46th St. Campgrounds by 8% in number of camping sites available
- Renovated backstage of Grandstand
- Repairing roofs on South Pavilion, Pioneer Our Land Pavilion, Gazebo Gift Shop, Public Safety Center

- Received a \$35,000 grant from the Indiana Standardbred Association to work on the training track, purchase a new conditioner, John Deere tractor, purchase parts for an old conditioner and paid for rented horse stalls used in the speed barn area during the State Fair.
- Re-covered 13 shuttle buses
- Purchased additional 330 Trash Cans & 9 Push Carts
- Modified loading dock area in Champions Pavilion for easy access to off load push carts into a self contained dumpster
- Installed security cameras in the Champions Pavilion using a \$50,000 Indiana Homeland Security grant; repaired 10 non-functioning exterior security cameras and moved them to locations that will allow the security office to better monitor parking lots during events
- Clear Channel Outdoor added new digital billboard located on Fall Creek Parkway



Indiana State Fair Commission Financial Measurements from 2010

Objective

Measurable

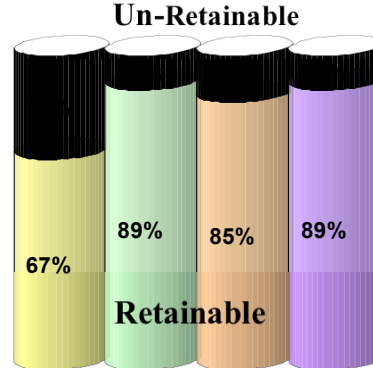
Year-round events

1. Increase Rental Revenues

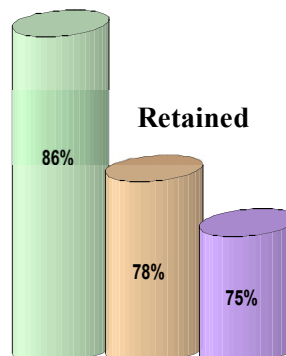
2006 - \$2,611,369
2007 - \$2,630,311 (1% increase)
2008 - \$2,901,700 (10% increase)
2009 - \$2,884,985 (.5% decrease)
2010 - \$2,927,784 (1.5% increase)

2. Venue Rental – Retain 90% of retainable events

33% of 2007 events were considered un-retainable in 2008; compared to 11% for 2008 to 2009; 15% for 2009 to 2010; and 11% for 2010 to 2011.



Of the 67% of retainable events in 2007, 86% were retained in 2008; that percentage drops to 78% in 2009, and 75% in 2010.

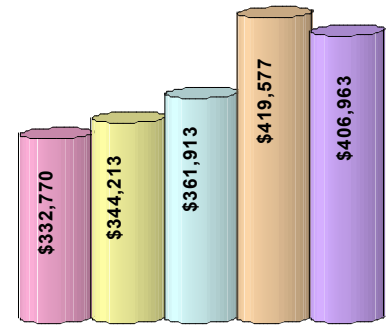


Objective

Measurable

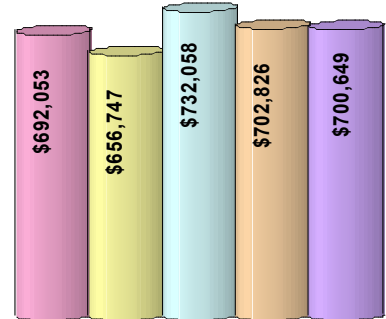
3. Increase Skate Shop Revenues

2006 - \$332,770
2007 - \$344,213 (3% increase)
2008 - \$361,913 (5% increase)
2009 - \$419,577 (16% increase)
2010 - \$406,963 (3% decrease)



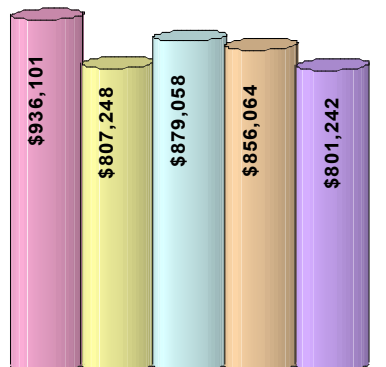
4. Increase Concessions Revenue

2006 - \$692,053
2007 - \$656,747 (5% decrease)
2008 - \$732,058 (12% increase)
2009 - \$702,826 (4% decrease)
2010 - \$700,649 (.3% decrease)



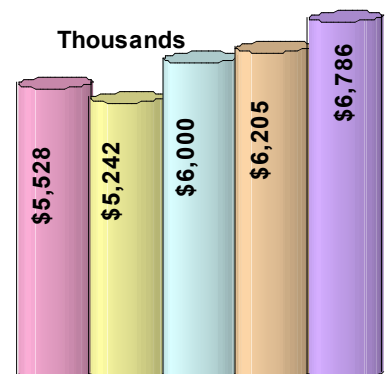
5. Increase Parking Revenue

2006 - \$936,101
2007 - \$807,248 (14% decrease)
2008 - \$879,058 (9% increase)
2009 - \$856,064 (3% decrease)
2010 - \$801,242 (6% decrease)



**6. Increase Year-Round
Earned Revenue**

2006 - \$5,528,007
2007 - \$5,241,784 (5% decrease)
2008 - \$6,000,295 (15% increase)
2009 - \$6,204,752 (3% increase)
2010 - \$6,786,193 (9% increase)

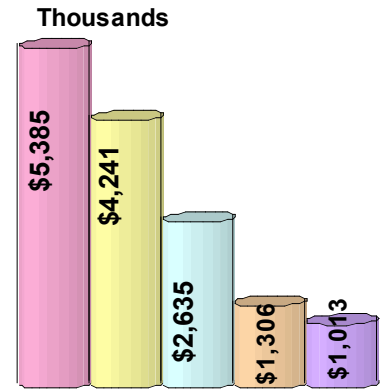


Objective

7. Investment in Facilities

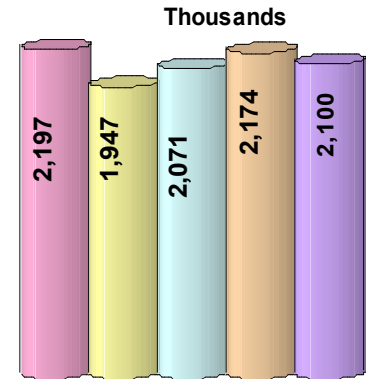
Measurable

2006 - \$5,385,100
2007 - \$4,241,000
2008 - \$2,635,000
2009 - \$1,306,000
2010 - \$1,012,669



**8. Increase Total Visitors,
(Fair and Year-round)**

2006 – 2,196,971 Attendance
2007 – 1,946,995
2008 – 2,070,552
2009 – 2,174,147
2010 – 2,100,055





2010 Indiana State Fair By the Numbers

<u>Objective</u>	<u>Measurable</u>				
1. Increase attendance:	2006	2007	2008	2009	2010
	870,052	751,218	859,621	973,902	952,020
		*oppressively high heat indexes		*17-day Fair	*oppressively high heat indexes
2. Maintain/Increase 4-H Competitive Exhibits:	2006	2007	2008	2009	2010
	24,009	24,585	24,138	24,559	25,194
2010 Notes: * 11,709 exhibits in the Exhibit Hall and Agriculture/Horticulture Building * 12,811 animal and poultry exhibits * 674 miscellaneous other activities * All 92 counties are represented					
3. Maintain/Increase Open Class Exhibitors:	2006	2007	2008	2009	2010
	5,317	4,983	4,606	4,799	4,260
2010 Notes: * There was no Wine Competition; these exhibitors were included in 2006-2009					
4. Maintain/Increase Misc.					
Youth Competitions:	2006	2007	2008	2009	2010
FFA Participants	217	173	168	167	156
Band Day Schools	45	50	45	44	49
County Queen Pageant Participants	85	85	89	88	87
Youth Talent Contestants	247	283	230	235	218
Young Pianist Contestants	106	128	202	194	305

Objective**Measurable****5. Maintain/Increase Premiums,****Awards & Carcass Checks: 2006**

	2006	2007	2008	2009	2010
Cash Premiums	\$475,524	\$476,681	\$457,365	\$476,634	\$465,060
Non Cash Awards Value	\$58,939	\$51,262	\$45,599	\$55,365	\$57,246
Carcass Payments	\$178,356	\$181,653	\$190,759	\$117,105	\$186,858

6. Increase Entry Dept.**Entries & Fees:**

	2006	2007	2008	2009	2010
Exhibitors Processed	11,692	11,328	10,734	10,921	10,724
Total Entry Fees	\$540,119	\$596,119	\$573,050	\$583,055 *less wine comp of \$413,390	\$428,902

7. Increase Online Entries:

	2006	2007	2008	2009	2010
Entries Submitted Online	37%	48%	44%	57%	59%

8. Increase 4-H Sale of**Champions Revenue:**

	2006	2007	2008	2009	2010
Records	13	7	9	11	13
Total Sale	\$228,510	\$222,068	\$211,165	\$237,685	\$296,200

**9. Increase Concessions/
Midway Net Revenue:**

	2006	2007	2008	2009	2010
	\$2,178,174	\$2,202,847	\$2,375,153	\$2,610,437	\$2,036,566

10. Increase Paid**Concert Tickets:**

	2006	2007	2008	2009	2010
Total Sold Tickets	45,699	42,050	31,461	47,998	83,532

11. Increase Concert**Ticket Gross:**

	2006	2007	2008	2009	2010
	\$2,111,269	\$1,813,892	\$1,193,835	\$1,738,645	\$3,493,077

12. Increase Non Concert Event**Paid Tickets:**

	2006	2007	2008	2009	2010
Total Sold Tickets	16,374	15,356	15,097	24,535	22,155

Objective**Measurable****13. Increase Non Concert Event**

Ticket Gross:	2006	2007	2008	2009	2010
	\$103,575	\$92,770	\$102,822	\$210,035	\$141,491

14. Increase Sponsorship Gross: 2006

	2006	2007	2008	2009	2010
	\$1,223,800	\$1,297,360	\$1,788,422	\$1,489,500	\$1,261,539

15. Increase Gate

Admission Gross:	2006	2007	2008	2009	2010
	\$2,621,054	\$3,044,442	\$3,494,570	\$3,177,981	\$2,934,374

16. Maintain High

Customer Satisfaction:	2006	2007	2008	2009	2010
Excellent or Good	91.7%	90.2%	90.2%	90.0%	88.7%

17. Increase First Time

Visitors:	2006	2007	2008	2009	2010
First time visitors	6.9%	6.8%	5.6%	7.2%	6.3%

18. Increase Visitors that

Attend Every Year:	2006	2007	2008	2009	2010
	68.2%	70.4%	68.0%	68.1%	73.8%

**19. Increase Awareness of
Featured Commodity:**

2007	2008	2009	2010
Corn-80%	Hardwood-57%	Tomatoes-77%	Pigs-83%



Indiana State Fair Commission Strategic Planning Presentation

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STRATEGIC PLANNING PRESENTATION



ENGAGEMENT



Goal Element

WHAT

Strategy

HOW

Measure

HOW MUCH

Timeframe

WHEN

1

Increase civic capacity & establish a donor program

Launch Indiana State Fair Foundation

25,000 stakeholders formally engaged

By year-end 2013

2

Increase sponsorships & partnerships

Develop cohesive process for engaging organizations

50 new strategic relationships

By year-end 2013

3

Provide opportunities for contemporary Ag to engage consumer public

Create ongoing relationships with contemporary Ag entities

1 new project and 10 new programs in development

By year-end 2013

4

Achieve needed legislative reform

Create Fairgrounds advisory committee

4 favorable outcomes

By year-end 2013

ACTION PLANS



Year One

2011

Determine structure of Foundation (i.e. staffing, roles/responsibilities)

Capital campaign & foundation feasibility study

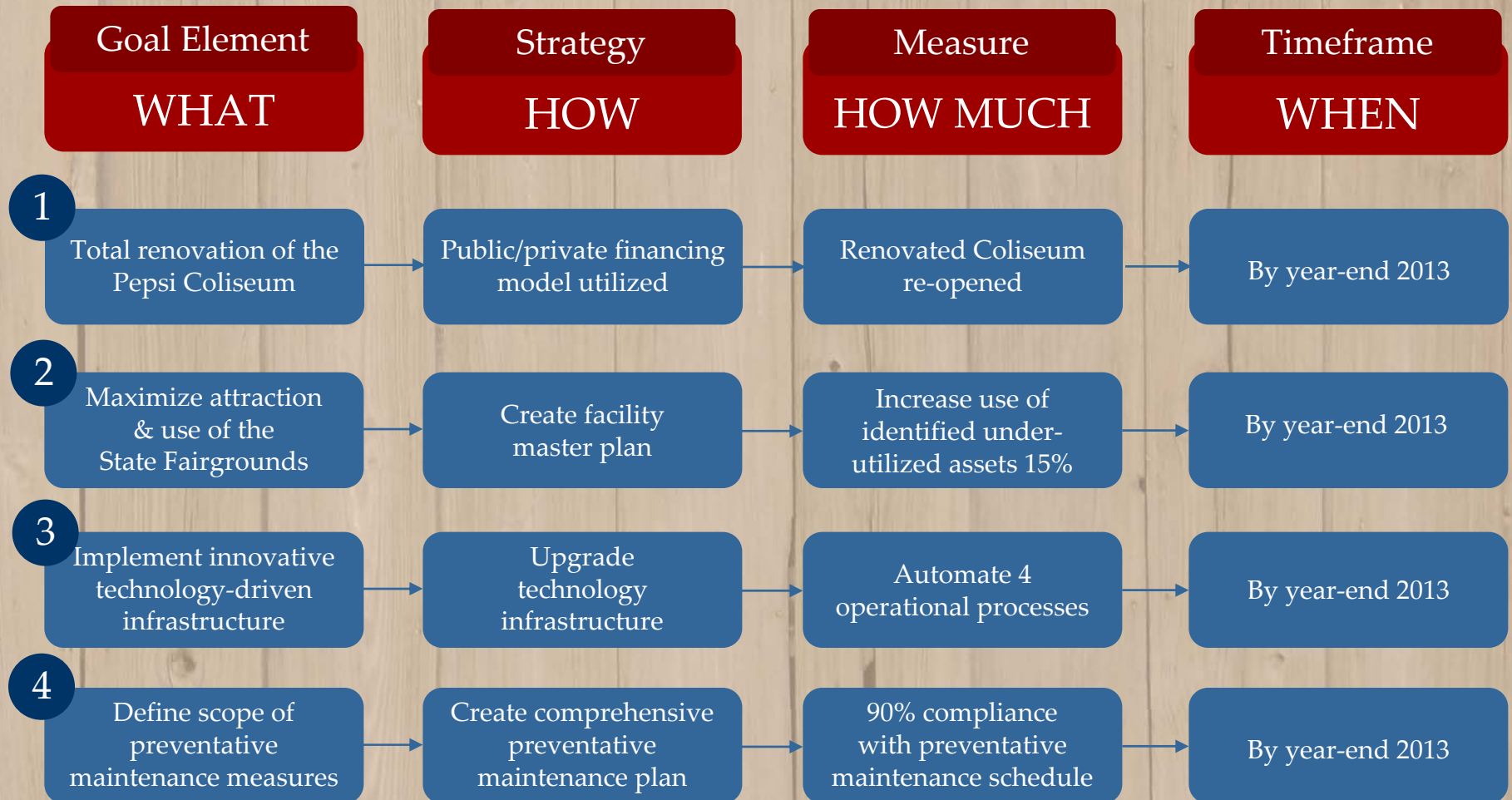
Launch Pepsi Coliseum capital campaign

Form sponsorship team and overall approach

Establish State Fair/Ag action teams

Determine structure and launch Fairgrounds advisory committee

FACILITY MANAGMENT



ACTION PLANS



Year One

2011

Identify under-utilized assets

Determine scope of facility master plan

\$150,000 budgeted for IT improvements in 2011

Write inspection/maintenance program for all buildings

Write scope of work documents with best repair methods for projects

Training & education program for maintenance team

YEAR-ROUND SALES AND MARKETING



Goal Element

WHAT

Strategy

HOW

Measure

HOW MUCH

Timeframe

WHEN

1

Enhance non-Fair
brand of the
State Fairgrounds

Develop
brand identity

55 new events from
under-served markets

By year-end 2013

2

Improve quality &
effectiveness of non-
fair sales/marketing

Coordinated
sales & marketing
effort

Book 95
new events

By year-end 2013

3

Elevate
connection to
existing customers

Develop customer
relationship
management model

Aggregate 92%
customer satisfaction

By year-end 2013

4

Leverage internal
resources to increase
event opportunities

Cultivate
relationships with
show producers

Produce/co-produce
5 new events

By year-end 2013

ACTION PLANS



Year One

2011

Evaluate non-Fair sales/marketing budget

Develop sales/marketing plans (including research)

Identify new markets/opportunities to pursue

Determine non-Fair sales staff structure

Develop new processes & procedures for customer interaction

Design online portal for show producers & vendors

Plan 'events' at State Fair to build relationships/opportunities

FINANCE



Goal Element WHAT	Strategy HOW	Measure* HOW MUCH	Timeframe WHEN
1 Increase Fairgrounds earned revenue	Create New Ventures Group	Grow earned revenue 15%	By year-end 2013
2 Increase "other" revenue	Launch Indiana State Fair Foundation	Grow grants & contributions revenue to \$11.2 million	By year-end 2013
3 Increase net income	Develop customer selectivity model	Minimum 40% net gain on events	By year-end 2013
4 Improve organizational & operational efficiency	Optimize service delivery model	Revenue growth 1½% higher than expense growth	By year-end 2013

* The measures outlined above require additional validation. This will take place in 1Q 2011.

ACTION PLANS



Year One

2011

Validate financial measures/outcomes proposed in Strategic Plan

Determine scope of 'New Ventures Group'

Finalize 501(c)(3)

Determine measures relating to event revenues & expenses

Design program/matrix to facilitate selectivity decision making

Evaluate existing outsourced services & identify new opportunities for outsourcing

STATE FAIR



Goal Element

WHAT

Strategy

HOW

Measure

HOW MUCH

Timeframe

WHEN

1

Be recognized as the
"best & most
Innovative State Fair"

Develop new
signature elements

2 new permanent
programs/attractions

By year-end 2013

2

Retain & expand
Attendance to the
State Fair

Expand reach
to targeted
market segments

Average 1,000,000
people annually

Over the next 3 years

3

Increase net gain

Develop
schedule for
fee increases

Revenue growth ½%
higher than expense
growth

By Year-End 2013

ACTION PLANS



Year One

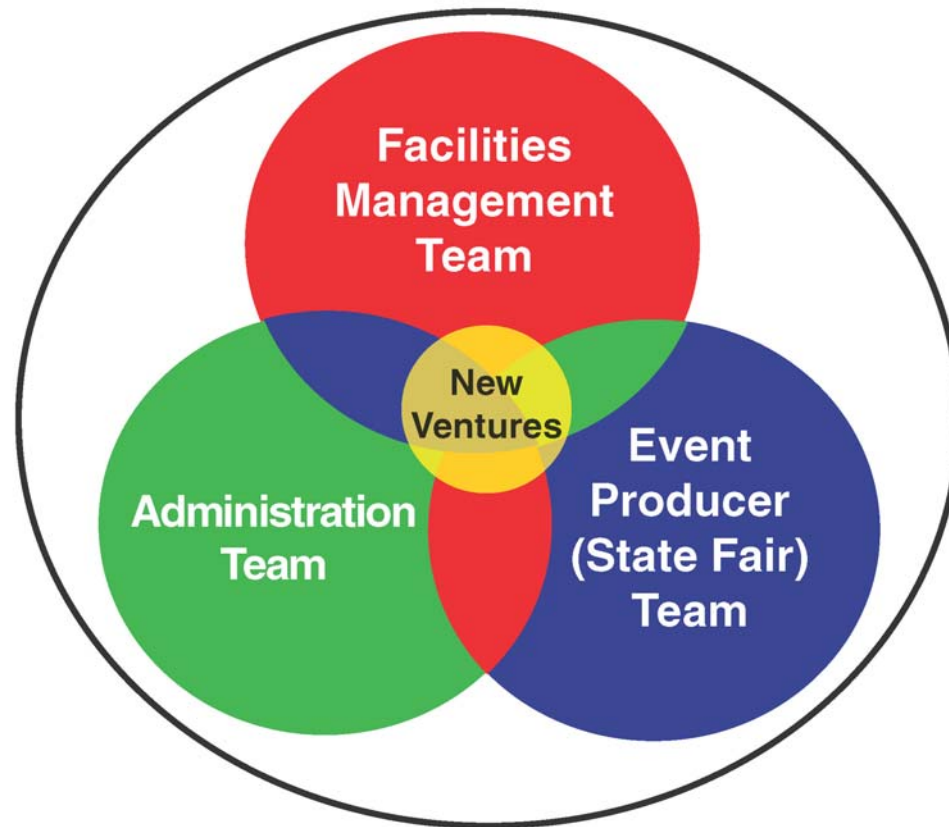
2011

Investigate new opportunities for signature elements

Expand market research efforts & create new survey instruments

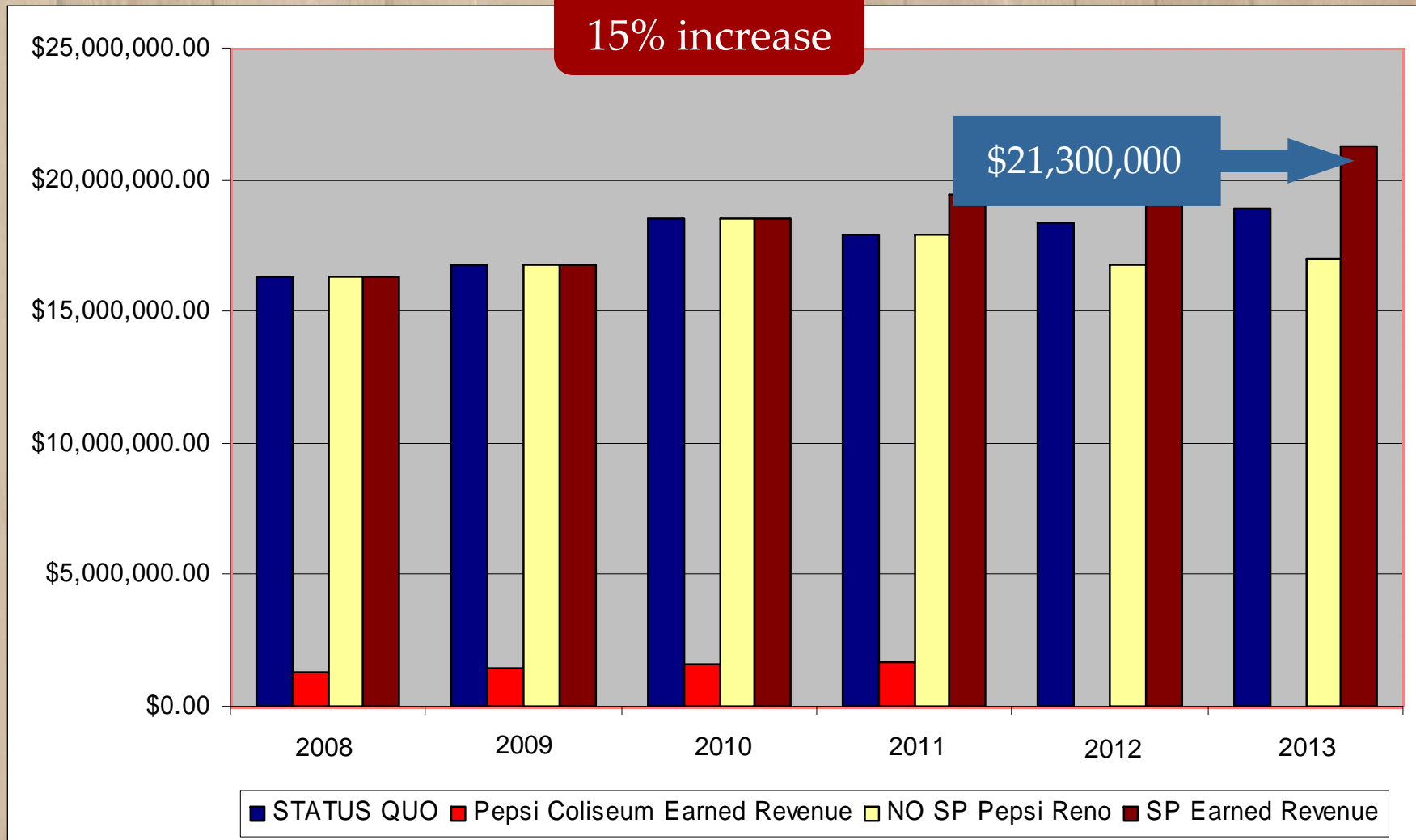
Evaluate fee structure and identify areas for increases

INDIANA STATE FAIR COMMISSION - STAFF TEAMS



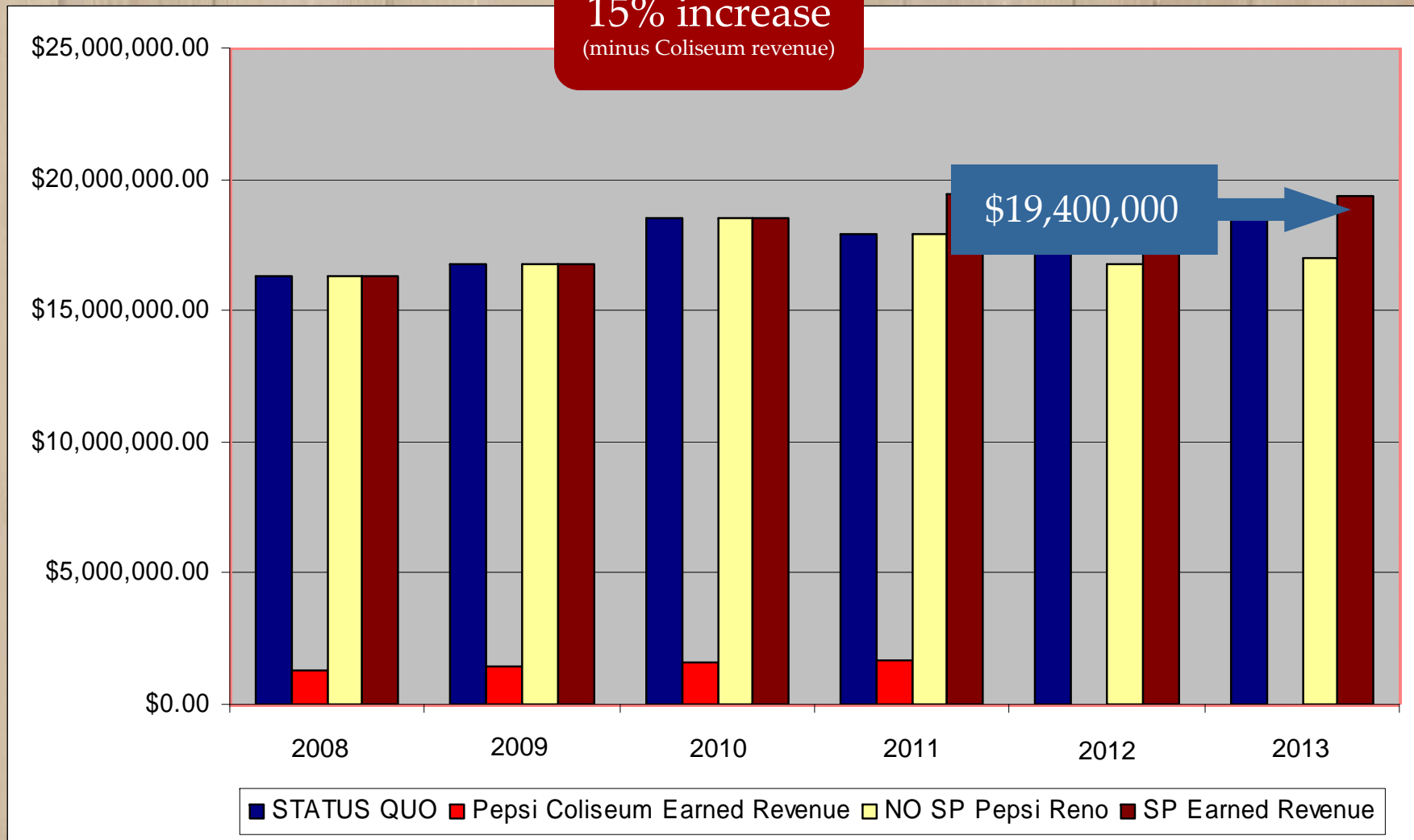
Earned Revenue

15% increase



Earned Revenue

15% increase
(minus Coliseum revenue)





Indiana State Fair Commission 2011 Business Plan

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INDIANA STATE FAIR COMMISSION

2011 BUSINESS PLAN

Mission:

- To preserve and enhance the Indiana State Fairgrounds and the annual Indiana State Fair for the benefit of all citizens of Indiana.

Vision:

- To be a premier year-round gathering place that maximizes its resources to host a wide range of diverse activities. To be recognized as the best State Fair in the country, showcasing agriculture & youth in an educational and entertaining environment.

Core Values:

We believe in:

- Agriculture as our foundation
- Operating in a safe and environmentally conscious manner
- Investing in our customers, our personnel and our facilities
- Striving toward a more self-sufficient financial model
- Building family memories and traditions for future generations
- Responsible stewardship of this historic and treasured state institution
- Constant innovation and dynamic, relevant presentations

History and Background:

In 1851, the Indiana General Assembly passed an act to “encourage agriculture”, which also included the formation of a State Board of Agriculture. The primary goal of the Board was to create the first Indiana State Fair. In 1852, Indiana became the sixth state to begin holding a state agricultural fair. The first Fair, held in what is now Military Park in downtown Indianapolis was a landmark in the agricultural history of Indiana. The State Fair has been located in Indianapolis for the majority of its existence, but other Indiana cities hosted the event in the 1800s. Lafayette (1851), Madison (1854), New Albany (1859), Ft. Wayne (1863), and Terre Haute (1867) hosted the Fair before it was moved to Voss Farm in Indianapolis. The gates opened at the Indiana State Fairgrounds on East 38th Street for first time on September 19, 1892.

The primary purpose of developing the Indiana State Fair was to give Hoosier Farmers a way to come together, exchange new ideas for improving yields, see the latest ideas in farming techniques, and show their best products. Hoosiers have always helped lead the way in agricultural products and technology.

In 2010, with over 59,000 farms in Indiana, agriculture remains the foundation of the Fair. Events and attractions including Farmers’ Day, Pioneer Our Land Pavilion, Normandy Barn/Greenhouse, Pioneer Village and the Ball State Food & Horticulture Building highlight the development and impact of agriculture on the lives of Hoosiers statewide. Attendance and participation at the Indiana State Fair is exceptional (the five year average is 850,000) and necessitates a large and specified campus. Currently, the Indiana State Fairgrounds occupies 250 acres with over one million square feet of climate controlled space.

While the primary purpose of the Fairgrounds is to serve the Indiana State Fair, non-fair rental of the facilities is essential to supporting on-going maintenance and remaining economically viable. In turn, rental business has created new year-round traditions including various livestock shows, the Boat, Sport & Travel Show, Indianapolis Home Show, Flower & Patio Show, automobile racing; standard bred racing & training, youth and semi-professional hockey, and public ice skating.

In 1990, the Indiana State Fair Commission (a quasi-governmental state agency) was created to provide sound financial oversight and management of the year-round operations while providing policy guidance to the State Fair Board in its conduct of the annual State Fair.

The success of this historic and wonderful institution extends far beyond tangible measurements. A number cannot be assigned to the sense of accomplishment a 4-H member experiences when winning the first blue ribbon or the memories of participating in the High School Marching Band Competition or even just simple family traditions like sharing an elephant ear on the midway ferris wheel. This is a special place where children grow up, where families build memories and traditions of sharing take root.

Industry/Market Situation:

In February of 2010, the Indiana State Fair Commission (ISFC) staff underwent an organizational change to align the core competencies of the business with the focus on future success. The economy has experienced bleak conditions and the forecast remains as a reminder to focus on the strengths of the business plan. In addition, year round show producers are relying more on staff for organizational and marketing support to maintain successful attendance levels, and the entertainment competition has never been more prevalent.

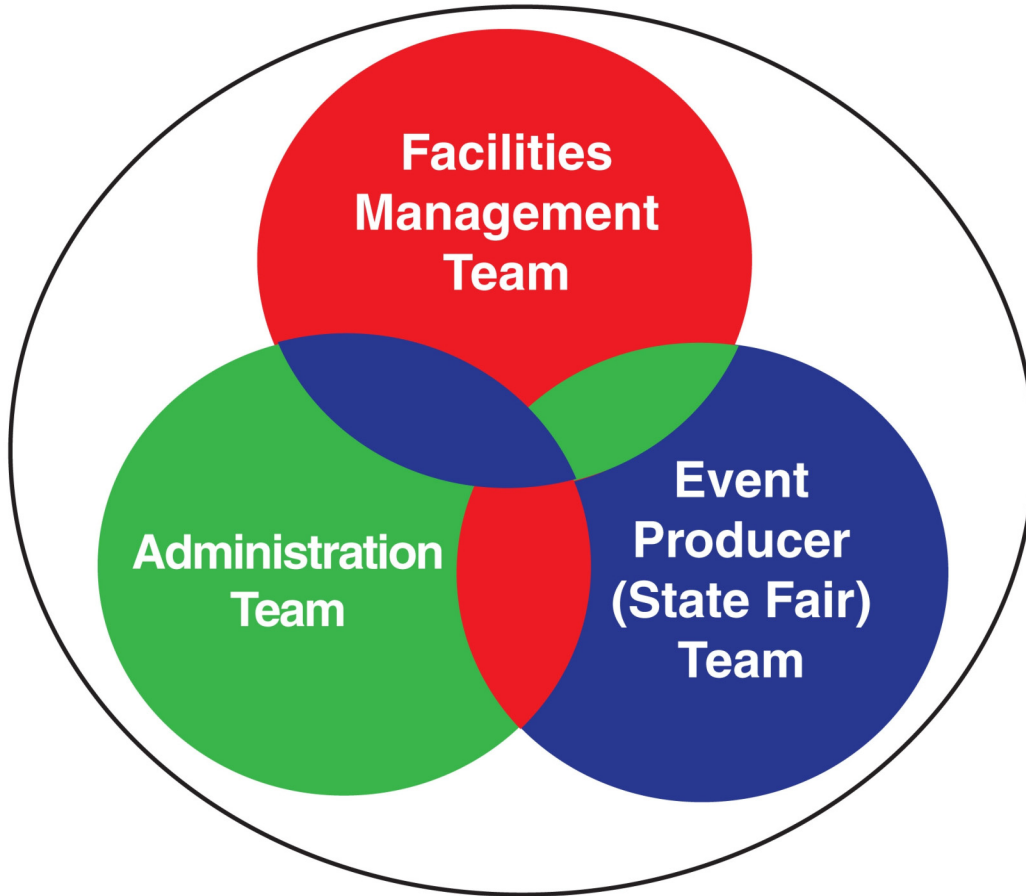
The Indiana State Fairgrounds and the annual State Fair continue to be more relevant each day because of a keen focus to the future. The Indiana State Fair in particular, is growing not only in terms of attendance but in revenue/profit as well.

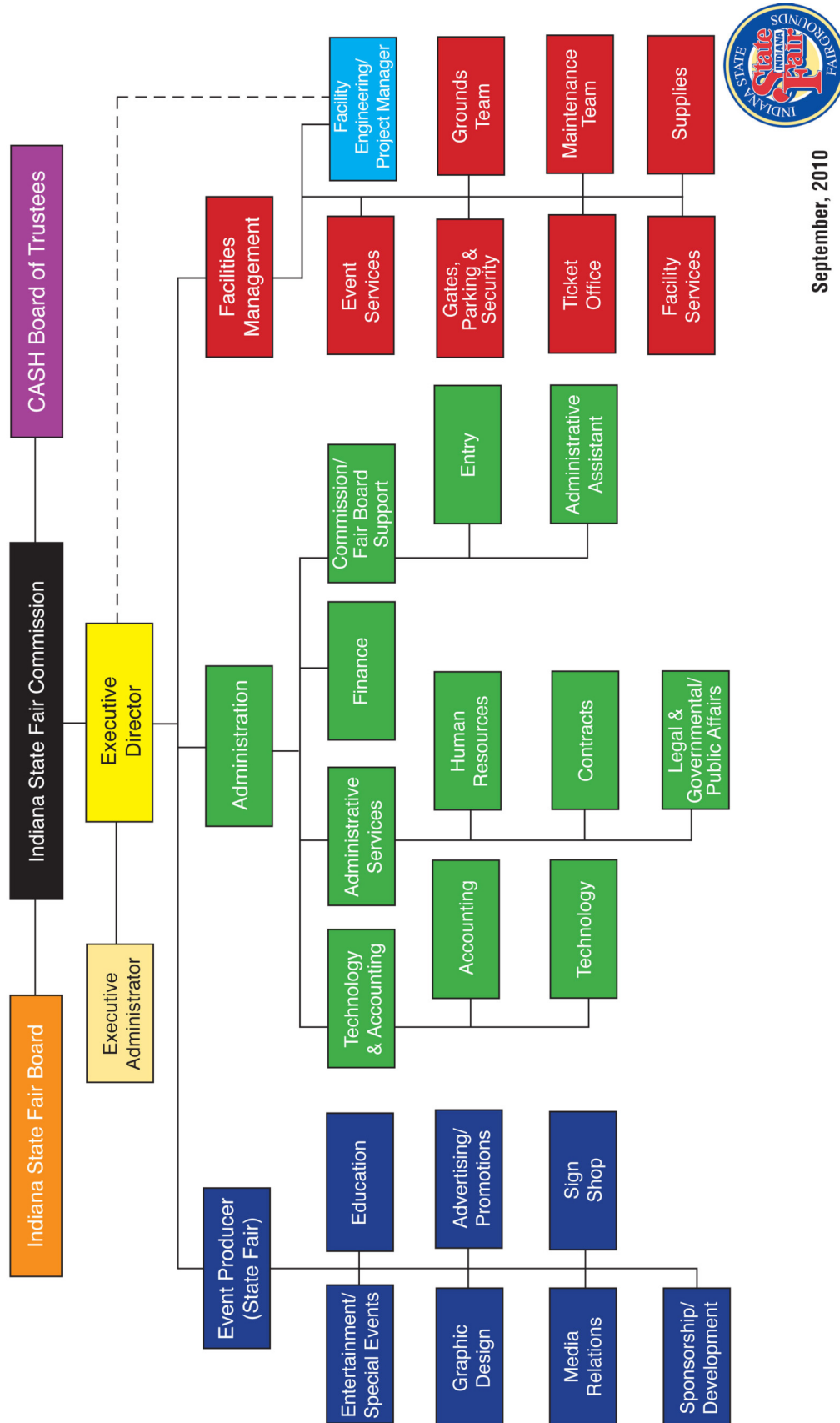
The ISFC staff is setting in motion long term action plans which will solidify the future including:

- Development and implementation of a three year Strategic Plan
- Pepsi Coliseum Renovation and Capitol Campaign feasibility study in conjunction with the private entity Johnson-Grossnickle, LLC.
- Conduct economic impact survey with IU Kelly School of Business, updating study completed in 2002.
- Conduct focus group research with Strategic Marketing & Research to ascertain public satisfaction and input for the annual State Fair

Despite a staff reduction to 61 in 2010, from 90 in 2008, the “more with less” philosophy has served ISFC well. The three teams (Facility Management/Event Producer-State Fair/Administration) not only work well with one another, but many staff are cross-trained to provide support year round. Directors have elevated and challenged the second tier of management to rise to positions which reflect the future of the fairgrounds. In addition, all outside vendors are managed to the utmost efficiency and effectiveness. Overall, continued review of the return on investment with each operation/program is vital for long term success.

INDIANA STATE FAIR COMMISSION - STAFF TEAMS





Facility Management:

The Facility Management Team is committed to offering the highest level of service and support to year round show producers and the annual Indiana State Fair. Although capital and facility improvement budgets have been reduced, the Facility Management Team manages day-to-day operations with the focus on providing safe and well-maintained facilities and grounds.

Facility Management Team Goals for 2011:

- The Pepsi Coliseum is the most critical asset of the Fairgrounds. Due to the current revenue generated by this building, the current condition places this as our greatest risk if not renovated. The plan for 2011 is to develop all the necessary elements in funding, design, economic impact and community support for this timely project. The 2011 Business Plan encompasses the Pepsi Coliseum and surrounding facilities for renovation.
- Completion of the now named “Discovery Hall” for use during the annual State Fair, but also year round occupancy from Marion County Extension, Indiana Board of Animal Health and other potential public/private entities. The overall plan is to operate the 4-H Complex year round as an office space complex and non-fair rental property.
- Management of capital requests at the benefit of operational support continues to be a priority. Building updates and material assets will be prioritized based on the usage and payback from specific shows and events.
- Completion of building roofing projects is the focus for 2011, ensuring the continuation of building availability for shows and events.
- Completion of inventory control systems, including the tracking of all maintenance projects, is on course. A total inventory of material will provide ISFC with a more accurate valuation of assets.
- Implement a long-term preventative maintenance plan, including new scope of work requirements that consider best practices
- Develop year-round sales and marketing plans to attract new and diverse shows and events to the fairgrounds
- Expand year round sales efforts through the addition of one new staff position.
- Develop new processes and procedures for interaction with show producers and vendors

Event Producer – State Fair:

With the two year success of a 17 day format for the Indiana State Fair, the Event Producer Team maintains a focus to create an event which the entire state is continually drawn to attend, featuring the best in exhibits, agriculture and entertainment. While attendance figures are an “easy” measure of success, the team instead reviews a myriad of factors which analyze the success of the yearly event. Always challenged to create an event which will motivate attendance, this is accomplished with positioning the event as a must see of the summer with top level entertainment, one of a kind exhibits and the value proposition which appeals to all Hoosiers.

Ag Education is a large part of the viability of the ISFC, in efforts to utilize the 250 acre campus as a blueprint for families to learn about where food comes from and the relevancy of agriculture. This programming has never been more important to all families. With the world’s populations expected to increase 50% by 2040, Indiana is positioned as the region of future importance for the world.

- The 2011 annual State Fair marketing theme is “It’s Incredible!”, positioning the event as nothing bigger, better, more exciting or entertaining than the 17 days of the Fair. This repackaging of the event is extremely important to ensure those past visitors of the fair continue to attend as part of their summer tradition.
- “Willkommen to Germany!” will be the international exhibit as a partnership with the Indiana Economic Development Corporation. The German entities throughout Indiana will be featured through the cultural and historic displays of the sister country.
- The “Year of Soybeans presented by Indiana Soybean Farmers” for 2011 will once again allow ISF to become the platform for all ag commodity entities to reach the widest demographic possible over a 17 day period. Featured through programming and educational displays, soybeans will be the agricultural topic of 2011.
- Agricultural Education continues to be a staple during the State Fair as shown through “Little Hands on the Farm”, the “Wonder Trail presented by Indiana Farm Bureau” and Pioneer Village. In 2011, Pioneer Village celebrates 50 years of presenting the agricultural heritage of our great state. In addition, the school field trip programs become more important as schools continue to begin earlier each August.

Event Producer Team Goals for 2011:

While the goal of the annual event is to present all Hoosiers with the best in Indiana agriculture, there are specific milestones which help to determine the “success” of the event. These include the following for 2011:

- Budget a profit of \$890,000 (increase budget of over \$300,000)
- Attendance goal of 1,000,000
- Provide a new major programming element, unique to the Indiana State Fair which will educate and entertain visitors
- Attract more exhibitors for financial support

- Add exhibits which are value oriented to visitors such as new areas in buildings and perimeters (Vera Bradley/NFL's Super Bowl Display/Purdue programs/Peking Acrobats/Dog Shows)
- Re-energize existing areas to activate consumers (revise the Food & Horticulture Building to provide enhanced focus on healthy food choices and initiatives).
- Operationally, continue to focus on new areas which can enhance experiences and initiate revenue including:
 - Development of a plan to create Indiana Wine & Beer Gardens
 - Creation of a 'dirt' plan for the Pepsi Coliseum with experts on site
 - Provide new stroller/wheelchair areas
 - Budget toward electronic ticketing at all entrance gates
 - Streamline entrance into grandstand for paid events
 - Move housing from Deaf School to Discovery Hall for 4-H students
 - Assist concessionaires to help offset operational costs of longer format
 - Create unified security Command Center during State Fair
 - Finalize the "clean zone" with city for zoning issues

Demographics:

Based on touch screen monitors and exit surveys the following are demographics for the annual event:

- Average age 45.7 years
- 31.2% Marion County, 29.6% surrounding Central Indiana counties, 33.7% from outer counties
- Average HH income is \$64,587
- Length of stay – 3.8 hours in 2010; 4.52 average
- Average group size is 3.5
- Customer satisfaction level is 96.6% (average, good, excellent)
- 48.5% attended county fair
- Racial breakdown – Caucasian 72.1%, Black 18.5%, Hispanic 3.4%, Asian 2.8%

Administration Team – Fiscal and Human Resources:

The Administration Team is charged with maintaining not only the day-to-day fiscal management but the staff component of human resources. Nearly \$3 million is managed yearly through management and employment contracts, with a focus on professionalism, quality of products, presentation and pricing.

Administration Team Goals for 2011:

- Human Resources is all handled within the structure of the ISFC. This gives management an opportunity to align the best possible staff member to a fitted position within the organization, knowing year round and State Fair responsibilities vary throughout the year. For 2011, ISFC will be conducting an HR Audit to ascertain all employees are challenged and utilized effectively.
- Professional development continues to be a focus for all managers, including those in conjunction with the International Association of Fairs and Expos to help glean knowledge from other North American fairs and events. In addition, to help maintain employee morale, various programs throughout the year are geared to development team unity and focus among staff.
- Job performance reviews are vital to the maintenance of employees which will expend the most valuable effort throughout the year. Although not always tied to financial reward, the reviews will allow an honest and informative approach to work performance.
- Continuation of streamlining all business operations, with efficiencies on controls from financial audits to management manuals for all teams/departments.
- Legislation areas for 2011 include both alcohol sales during the State Fair and the creation of the non-profit foundation. Both areas will need operational plans to ensure flawless execution.
- Continuation of CASH, with the focus of maximization of focus maximization as an agricultural advisory group and support to ISFC staff.
- Begin needed improvements to the information technology infrastructure throughout the campus

Commission:

The Indiana State Fair Commission is a governing body appointed by the Governor of Indiana. The Commission is comprised of nine members including the Indiana State Fair Board President, a representative of CASH, Director of the Department of Agriculture, member of the State Fair Advisory Committee and an invited representative from the Governor's office. The Commission staff includes the Executive Director and three staff directors managing the complex.

Members of the State Fair Commission include:

Andre Lacy, Chairman

Ted McKinney

Dana Huber

Matt Rekeweg

Susan Hayhurst

Steve Simmerman, ISF Fair Board President

Gary Emsweller, CASH

Senator Jim Merritt

Doug Huntsinger, Governor's Representative

Joe Kelsay, Dept of Agriculture

Indiana State Fair Board:

The Indiana State Fair Board of Directors is comprised of 17 board members (7 elected, 7 appointed and 3 ex-officio members) overseeing the annual Indiana State Fair. This group is responsible for all programming and events which occur at the State Fair, with the help of the entire ISFC staff.

The 2010/2011 Fair Board consists of:

Steve Simmerman

Steve Patterson

LeeAnn Eizenger

M. Bryan Messersmith

Jim Lankford

Bill Leininger

Stan Poe

Pat Barker

Al Polin

John Tarr

Tom Gary

Bud Krohn

Jackie Bell

Paul Graf

Doug Huntsinger, Governor's Representative

Joe Kelsay, Dept of Agriculture

Dr. Charles Hibberd, Purdue University Cooperative Extension



Indiana State Fair Commission Estimated 2010 & Proposed 2011-2013 Income/Expense Summaries

Indiana State Fair Commission

**Estimated 2010 & Proposed 2011 and 2013 Income/Expense Summaries
(\$,000)**

Cash Basis

	2010 Estimated	2011 Budget	2012 Projected	2013 Projected
Indiana State Fair				
Revenue	\$12,012	\$10,995	\$11,100	\$11,500
Expenses	10,766	10,099	10,200	10,600
Gain/(Loss)	1,246	896	900	900
Fairgrounds				
Earned Revenue (includes interest income)	6,788	7,147	7,433	7,730
Tax & General Fund Appropriations	7,227	7,075	7,075	7,075
Operating Expenses (before depreciation)	10,377	10,508	10,718	11,039
Major Projects and Equipment Purchases:	1,484	1,250	1,200	1,000
Gain/(Loss)	2,154	2,464	2,590	2,766
Debt Service (Principal & Interest)	2,166	2,149	2,192	2,129
Overall Surplus/(Deficit)	\$1,234	\$1,211	\$1,298	\$1,537
Overall Surplus/Deficit) on Original 4 Year Plan	\$1,480	\$171	(\$324)	N/A
Indiana State Fair Commission Annual Gross Revenue	\$26,027	\$25,217	\$25,608	\$26,305
Cash Reserves**				
Restricted	\$5,150	\$5,164	\$5,241	\$5,240
(1) Discovery Hall Fund	3,968	1,964	2,864	3,764
(2) Pepsi Coliseum Fund	765	240	315	390
(3) Operating	5,259	5,485	5,731	6,294
Running Balance	\$15,142	\$12,853	\$14,151	\$15,688
Running Balance on Original 4 Year Plan	\$14,445	\$14,616	\$14,292	N/A

*** 2010 Cash Reserves include beginning balances

Bond Debt (Principal only)

- (1) Discovery Hall Fund reduced by renovation costs and tenant improvements in 2011; Indiana State Fair gain increases fund each year.
- (2) Pepsi Coliseum Fund reduced in 2011 for engineering costs associated with renovation; estimated \$75 per year increase for annual facility charge receipts.
- (3) Operating receives increased by Fairgrounds gain, less Debt Service, facility charge receipts, and fluctuation in Restricted reserves.



Indiana State Fair Commission 2011 Budget Guidance & Assumptions Executive Summary

- Indiana State Fairgrounds Year-round-

Indiana State Fair Commission

2011 Budget Guidance and Assumptions

Executive Summary

Indiana State Fair

Guidance: In 2010 Board Members and staff were asked to cut expenses by 5% of actual 2009 expenses to establish the 2010 budget. Those responsible were diligent in their efforts to meet the budgeted expectations and the 2010 Indiana State Fair was a financial success. The guidance given to department heads for the 2011 Fair budget was to stay flat to the 2010 budget; although each department was encouraged to continue to examine 2010 actual expenses and look for more ways to save costs.

In some cases there were justifiable reasons for specific departments to exceed 2010 budget amounts. The guidance contained flexibility for these instances. A department head could request an increase from 2010 budget expectations with an explanation for the increase, or to request a one time program change. Department heads were also told to submit separate budget requests for major purchases required to continue or enhance the customer experience.

The Commission has traditionally budgeted for revenue to exceed expenses by \$600,000. That philosophy has been changed with the 2011 budget. The following budget is based on realistic expectations using the assumption of average weather and average response to grandstand entertainment. The change in philosophy was made in response to the Fair significantly surpassing budget expectations over the past three years.

Assumptions:

- **Earned Revenue**

- **Gates –** Gates revenue in 2010 was \$3.14 per attendee. The 2011 Fair is budgeted with the assumption of 925,000 attendees. The rate per attendee was increased to \$3.30 in 2011. Traditionally that rate has been around \$3.50. The decrease in 2010 was due to a larger portion of attendees using discount tickets; there was an increase in discount opportunities available in 2010 in response to the bleak economy. The exceptional response to grandstand entertainment also lowered the per attendee rate due to advance gate admission on advance sale tickets are considered event admissions on the financial statements. The per-attendee rate should increase using the average response to grandstand entertainment assumption.
- **Concessions/Midway –** Concessions revenue in 2010 was \$1.43 per attendee. The 2011 Fair is budgeted at a rate of \$1.59 per attendee. The 2010 Fair weather conditions saw temperatures well above normal; hotter temperatures have a negative affect on concessions due to guests typically not staying as long. The average length of stay per guest was nearly an hour shortly than normal. The 2011 rate reflects an anticipated increase based on the assumption of average weather conditions. The 2010 budget for concessions was at a rate of \$1.60 per attendee. Midway revenue is based on a fixed contract of \$807,000 for the first 844,000 attendees and \$.50 for each attendee over the base. Based on a budgeted assumption of 925,000 the midway budget is calculated to be \$847,500.

- Event Admissions – The majority of Event Admissions revenue comes from the larger shows held in the Hoosier Lottery Grandstand. A new strategy was used in 2010 whereby the Commission invested more funds than it has in recent years due to artists routing during the 2010 Fair dates. That strategy paid off and the same basic strategy is being used in 2011. The 2011 budget is less than actual revenues received in 2010. This is explained by the Commissions belief that 2010 was an unusual success and that it would not be prudent to expect the same results in 2011. Ultimately, the available talent when offers are being tendered dictates the actual results.
 - Sponsorship – The economy has had a significant affect on recent Sponsorship revenue. The 2011 budget reflects the Commissions belief that the economy will continue to struggle in 2011, and therefore sponsorships can be expected to be about the same as 2010.
 - Entry Fees – Entry Fee revenue was budgeted flat to the 2010 budget per the guidance given to Board Members.
 - Parking – 2010 was the first year a parking fee was charged at the Deaf School lot. The Parking revenue received was significantly higher than what was expected. The 2011 budget reflects the anticipated revenue based on the first year's experience.
 - Merchandise Sales – The budget for Merchandise Sales revenue was almost doubled in 2011. The reason is that souvenir sales in conjunction with grandstand events were more accurately booked as merchandise sales in 2010; this caused a large positive variance to the budget. The budget is lower in 2011 than 2010 actual due to an expected decrease in souvenir sales at the grandstand.
 - Rental Income – Exhibit space rental has had some challenges since moving to the 17 day format. The 2011 budget for Rental Income reflects a more optimistic outlook compared to the 2010 budget. The 2011 budget splits the difference between the 2010 budget and the actual revenue received in 2010. The lower expectations for 2011, when compared to 2010 actual, are in anticipation to some concessions being made to exhibitors.
 - Shuttle Bus Revenue – The shuttle buses did not meet budgeted expectations in 2010. The shuttle revenue per attendee increased from \$.16 per attendee in 2007 to \$.22 in 2009; the rate was expected to continue to increase in 2010. Instead of increasing the rate stayed flat at \$.22 per attendee. The 2011 budget was left at the 2010 budget level with the anticipation of small increase in the per attendee rate.
 - Other Revenue – Other Revenue is primarily made up of contributions received for the Youth Development Fund from proceeds related to the Sale of Champions and Boots & Bling fundraising event. These contributions were not budgeted in 2010. More than 50% of the 2011 Other Revenue budget is attributed to contributions. The remaining balance is largely made up from our percentage of sales related to swine and art sales; with another portion coming from advertising sales.
- **Payroll Expenses**
 - Salaries & Wages – The cost of Salaries & Wages for the Fair is made up from the following sources: all full-time employees' salaries for the month of August; summer interns, and seasonal/Fair employees. Payroll costs are basically flat to 2010 actual payroll costs.
 - Employee Benefits – the only benefits charged to the Fair are the employer share of taxes.

- **Operating Expenses**

- **Production Costs** – The costs associated with the large grandstand shows make up the majority of these costs. The types of shows expected to be at the grandstand in 2011 are being budgeted at a cost slightly lower than 2010 shows. Traditionally, the grandstand entertainment has been budgeted as a \$200,000 loss. The loss is a tradeoff for the additional media coverage the Fair receives from presenting big name entertainers. Grandstand entertainment is budgeted at a \$100,000 loss in 2011 to reflect the confidence in selling concert tickets. Part of the success in 2010 was based on tickets for big shows going on sale earlier than what has taken place in the past; the Commission hopes to continue to announce shows early in the year. This policy is driving the confidence in ticket sales.
- **Security** – Homeland Security rules have made it necessary to have extra security at entrance gates to check bags. The 2011 budget reflects the necessary expenses to accommodate the additional security.
- **Judges** – Judges' contracts were subject to more scrutiny in 2010; the result was actual costs coming in almost \$20,000 under budget. The 2011 budget expects the same number of judges; the slight increase in cost is related to increases in fees to compensate for higher travel costs paid by the judges.
- **Premiums** – The amounts paid out to entrants is in direct correlation to entry fees received. Entry fees are budgeted to be down and therefore Premiums are also down when compared to 2010 actual results.
- **Advertising** – The amount of advertising needed for each Fair may vary from year to year depending upon programming, entertainment, and sponsorships. The Executive Director and Director of Presentation and Development/State Fair Production agree on an amount for advertising each year. The 2011 budget is consistent with what was budgeted in 2010.
- **Maintenance** – Facility Management determines the budget needs for the Fair each year. The 2011 budget is generally equal to the 2010 budget in keeping with the budget guidance provided.
- **Clothing** – Costs associated with clothing purchased in 2010 were significantly under budget due to a change in vendors. The new vendor will be used again in 2011 and only a slight increase over 2010 actual costs was budgeted.
- **Food** – The cost of food and drinks for employees and volunteers is an area where department heads have been asked to closely watch expenditures. The food budget was significantly cut in 2010 only to have the hot weather require additional funds to be spent on extra water and ice. The 2011 budget reflects the Commission's desire to bring this cost back down to 2010 budgeted expectations.
- **Fuel** – The Fuel costs in 2010 were below budget due to the absence of sponsorship cars available to Directors. The Directors had to use their own cars; rather than paying for the fuel in sponsor cars. The expense was paid in mileage. This explains the higher than budgeted Travel costs. The 2011 budget assumes the same situation will occur.
- **Janitorial Costs** – All Janitorial Costs for the Fair were consolidated into one department in 2010; the amount budgeted did not properly cover all the costs. The 2011 budget has been established to include the total costs based on information obtained in 2010.
- **Merchandise Sales Expense** – The slight increase in Merchandise Sales Expense is due to anticipating more inventory will be purchased for the Gazebo Gift Shop.

- Professional Services – Professional Services are budgeted lower than the 2010 budget, but higher than 2010 actual costs. A concerted effort was made by department heads to reduce these costs and that is reflected in the comparison between 2010 and 2011 budgets. The 2011 budget is higher than the 2010 actual costs due to \$100,000 added for last minute programming changes. This is a practice that has been done for several years. In some cases the actual expense does not go through professional services. For example, a large portion of the added budget in 2010 was used to purchase rain insurance that was not previously budgeted.
- Sponsorship Expense – This expense is in direct correlation with Sponsorship revenue.
- Utilities – Utilities were higher in 2010 due to the above average temperatures. The budget reflects what is expected in normal conditions.
- Travel & Training – The increase in the Travel budget is explained in the lower Fuel expense budget.
- Supplies – The cost of Supplies in 2010 exceeded budgeted expectations. The expense was analyzed in each department and the funds spent were on supplies needed to produce the Fair. The 2011 Fair budget reflects that by expecting an increase when compared to 2010 budgeted expenses.
- Printing & Postage – The majority of the printing budget is used for printing programs, tickets, and premium books. The 2011 budget assumes a small increase over 2010 actual costs due to inflation and possible enhancements to the program.
- Rental Expense – The Rental Expense was lower than budgeted in 2010 largely due to a new tent rental vendor. Those savings have been reflected in the 2011 budget. Additional savings in the 2011 budget come from a system to more productively use forklifts and skid loaders; the belief is that the overall number of these equipment rentals can be reduced. Also, the department heads are encouraged to look at way to reduce golf cart rentals.
- Other Operating Expenses – The situation causing the significant increase in both the 2010 actual costs and 2011 budget is the Commission's discussion to purchase rain insurance for the four largest grandstand shows. The 2011 budget reflects the decision to continue that policy.

Indiana State Fair Commission

2011 Indiana State Fair
Budget Template

Total Fair Budget

	2010 Budget	2010 Actual *	2011 Budget	'10 Act. Vs '11 Bud. Increase/(Decrease)	
Fair Earned Revenue					
Gates	\$ 3,175,630	\$ 2,991,388	\$ 3,057,700	\$ 66,312	2.2%
Concessions/Midway	2,315,700	2,220,472	2,314,700	94,228	4.2%
Event Admissions	1,774,100	3,639,010	2,596,900	(1,042,110)	(28.6%)
Sponsorship	1,122,650	1,290,539	1,300,750	10,211	0.8%
Entry Fees	309,150	319,280	309,050	(10,230)	(3.2%)
Parking	502,500	557,930	565,000	7,070	1.3%
Merchandise Sales	55,325	123,446	105,300	(18,146)	(14.7%)
Rental Income	348,900	420,185	376,900	(43,285)	(10.3%)
Shuttle Bus Revenue	215,000	210,774	215,000	4,226	2.0%
Other Revenue	61,475	239,473	154,050	(85,423)	(35.7%)
Total Fair Earned Revenue	9,880,430	12,012,497	10,995,350	(1,017,147)	(8.5%)
Payroll Expenses					
Salary & Wages	1,891,096	1,985,073	1,993,021	7,948	0.4%
Employee Benefits	120,110	155,366	152,500	(2,866)	(1.8%)
Total Payroll Expenses	2,011,206	2,140,439	2,145,521	5,082	0.2%
Fair Operating Expenses					
Production Costs	2,397,415	3,921,038	3,134,330	(786,708)	(20.1%)
Security	181,750	18,386	27,000	8,614	46.9%
Judges	155,020	137,374	143,200	5,826	4.2%
Premiums	614,800	621,872	618,150	(3,722)	(0.6%)
Advertising	761,535	662,005	761,015	99,010	15.0%
Maintenance	91,400	56,156	90,250	34,094	60.7%
Clothing	52,025	36,571	38,175	1,604	4.4%
Food	105,790	132,480	105,900	(26,580)	(20.1%)
Fuel	23,075	10,295	16,500	6,205	60.3%
Janitorial Costs	242,565	292,617	292,650	33	0.0%
Merchandise Sales Expense	17,900	18,418	22,200	3,782	20.5%
Professional Services	1,329,464	1,215,102	1,254,855	39,753	3.3%
Sponsorship Expense	333,200	400,536	413,500	12,964	3.2%
Utilities	242,700	293,486	248,775	(44,711)	(15.2%)
Travel & Training	40,850	49,770	49,200	(570)	(1.1%)
Supplies	152,060	215,194	191,800	(23,394)	(10.9%)
Parking Expenses	2,500	4,360	-	(4,360)	0.0%
Printing & Postage	236,430	210,754	224,525	13,771	6.5%
Rental Expense	279,120	259,538	248,951	(10,587)	(4.1%)
Other Operating Expenses	9,625	69,456	72,853	3,397	4.9%
Total Fair Operating Expenses	7,269,224	8,625,408	7,953,829	(671,579)	(7.8%)
Total Expenses	9,280,430	10,765,847	10,099,350	(666,497)	(6.2%)
Net Gain/(Loss) on the Fair	\$ 600,000	\$ 1,246,650	\$ 896,000	\$ (350,650)	(28.1%)

* Un-Audited Actual Results

Indiana State Fair Commission
2011 Indiana State Fair
2010 Budget/2011 Budget Comparison By Department
(\$,000's)

	Revenue			Expense			Net Gain/(Loss)		
	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)
100 Grandstand	1,641	2,598	957	1,841	2,698	857	(200)	(100)	100
* Exceptional Response to Grandstand Acts									
110 Last Blast	-	-	-	29	11	(18)	(29)	(11)	18
* Expenses were lower due to Demolition Derby revenue/expense being moved to Grandstand Entertainment									
115 Llamas & Alpacas	9	5	(4)	19	13	(6)	(10)	(7)	2
* Both revenue and expenses were reduced to increase the surplus. The 2011 budget reflects 2010 actual expenses.									
119 Livestock Drug Testing	-	-	-	15	13	(2)	(15)	(13)	2
* Expense were reduced to reflect 2010 actual costs.									
120 Family Fun Park	5	10	5	62	63	2	(56)	(53)	3
* Revenue was increased in anticipation of equal revenue for elephant rides (or reasonable substitute).									
123 Cheerleading	21	18	(3)	11	11	(0)	10	7	(3)
* Revenue was decreased to reflect lower attendance.									
124 Gazebo Gift Shop	36	40	4	50	56	7	(14)	(16)	(3)
* Both revenue and expenses were increased to reflect 2010 actual activity.									
126 Baton Twirling Contest	2	3	1	2	4	1	(1)	(1)	(1)
* Entry expectations were increased, as well as corresponding premiums.									
127 Farmers' Day Parade	-	-	-	3	1	(2)	(3)	(1)	2
* Expense were reduced to reflect 2010 actual costs.									
128 Main Street Stage	0	-	(0)	59	59	(0)	(59)	(59)	0
* Flat to 2010 budget.									
130 Free Stage	-	-	-	125	124	(0)	(125)	(124)	0
* Flat to 2010 budget.									
131 Dance for Health Stage	-	-	-	5	9	4	(5)	(9)	(4)
* Rental expense was increase was necessary to accommodate tent rental.									
132 Youth Talent Contest	5	5	-	6	7	1	(1)	(3)	(1)
* A second sound operator was needed; this increased the production cost budget.									
133 Website Development	-	-	-	29	29	-	(29)	(29)	-
* Flat to 2010 budget.									
134 Entertainment on	-	-	-	79	80	1	(79)	(80)	(1)
* Flat to 2010 budget.									
135 State Fair Gardens	-	-	-	8	8	(0)	(8)	(8)	0
* Flat to 2010 budget.									
136 Veterans' Day at the Fair	-	-	-	6	-	(6)	(6)	-	6
* This budget was rolled into department 810.									
137 Goat Mountain	1	1	(0)	14	14	-	(13)	(13)	(0)
* Flat to 2010 budget.									
138 Band Day	96	97	1	87	91	5	9	6	(4)
* Premiums budget was increased due to more entries; salaries were added to the budget.									
146 Gospel Music	-	-	-	18	6	(12)	(18)	(6)	12
* Production costs were greatly reduced in 2011 budget to reflect how actual costs were coded.									
155 Parking & Gates	2,895	2,849	(46)	877	882	5	2,018	1,967	(51)
* Gates revenue was decreased; this was somewhat offset by an increase in the parking revenue budget.									
190 Concessions	1,650	1,628	(23)	12	16	3	1,638	1,612	(26)
* Anticipated concessions revenue was reduced.									
191 Midway	860	848	(13)	-	-	-	860	848	(13)
* Contract was changed from \$.975 per extra attendee to \$.50.									
200 Balloon Race	3	4	1	14	16	2	(11)	(12)	(2)
* Budget was increased to reflect additional costs associated with changing event administrator from contract to salary.									
205 Buyers' Club	-	50	50	17	30	13	(17)	20	37
* Accounting changes in how contribution revenue is recorded had a major affect on this budget.									

Indiana State Fair Commission
2011 Indiana State Fair
2010 Budget/2011 Budget Comparison By Department
(S,000's)

	Revenue			Expense			Net Gain/(Loss)		
	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)
220 Comm. of Agriculture	-	-	-	1	1	0	(1)	(1)	(0)
* Flat to 2010 budget.									
221 Sponsorships	1,100	1,200	100	391	477	86	709	723	14
* Increase primarily due to additional advertising costs associated with CVS and Walmart trade contracts.									
230 Brewers' Competition	11	15	4	22	23	2	(11)	(8)	2
* Flat to 2010 budget.									
300 Our Land Pavilion	-	-	-	48	37	(11)	(48)	(37)	11
* Expense were reduced to reflect 2010 actual costs.									
315 4-H Horse & Pony	18	19	1	38	38	(0)	(20)	(20)	1
* Flat to 2010 budget.									
320 Draft Horses	55	55	(0)	147	147	(0)	(92)	(92)	0
* Flat to 2010 budget.									
321 Horse Pulls	10	10	-	9	10	1	1	(0)	(1)
* Flat to 2010 budget.									
340 Swine	104	109	5	135	140	5	(31)	(31)	(0)
* Flat to 2010 budget.									
350 Sheep	50	49	(1)	163	161	(2)	(113)	(112)	1
* Flat to 2010 budget.									
351 Dairy Goats	15	14	(1)	69	66	(3)	(54)	(52)	3
* Expense were reduced to reflect 2010 actual costs.									
360 Poultry, Waterfowl &	20	20	-	88	88	0	(68)	(68)	(0)
* Flat to 2010 budget.									
362 4-H Cat Show	1	1	-	2	1	(0)	(0)	0	0
* Flat to 2010 budget.									
410 Indiana Young Farmers	-	-	-	20	20	-	(20)	(20)	-
* Flat to 2010 budget.									
421 Pioneer Village	15	22	7	94	100	5	(79)	(78)	1
* Flat to 2010 budget.									
425 Contemporary Christian	-	-	-	18	17	(2)	(18)	(17)	2
* Production costs were reduced in 2011 budget to reflect how actual costs were coded.									
430 Boots & Bling	7	30	24	15	14	(0)	(8)	16	24
* New event; new budget.									
435 Shuttle Bus	215	215	-	132	130	(1)	83	85	1
* Flat to 2010 budget.									
450 Home & Family Arts	68	65	(3)	125	121	(4)	(57)	(57)	1
* Flat to 2010 budget.									
465 Queen Pageant	18	20	2	59	60	1	(41)	(40)	1
* Flat to 2010 budget.									
500 4-H Programming	14	12	(2)	241	243	2	(227)	(231)	(4)
* Have not received budget from Purdue; 2011 budget was based on 2010 actual costs.									
512 4-H Dog Show	9	10	1	10	9	(1)	(1)	1	1
* Flat to 2010 budget.									
530 FFA	2	-	(2)	37	38	1	(35)	(38)	(3)
* The 2010 budget was artificially low due to not all 2009 actual expenses being turned in. The 2011 budget reflects realistic expectations.									
600 ISF Board Members	-	-	-	40	42	2	(40)	(42)	(2)
* Flat to 2010 budget.									
601 Fair Board Office	8	8	-	224	207	(17)	(216)	(199)	17
* The lower budget is primarily reflective of the additional savings experienced in 2010 with the McCarty Farms contract.									
602 Entry	10	-	(10)	109	108	(1)	(99)	(108)	(9)
* Expenses are flat with 2010 budget; revenue was reduced to reflect accounting changes on how carcass funds were recorded.									

Indiana State Fair Commission
2011 Indiana State Fair
2010 Budget/2011 Budget Comparison By Department
(\$,000's)

	Revenue			Expense			Net Gain/(Loss)		
	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)	2010 Budget	2011 Budget	Variance Over/(Under)
808 Supplies	-	-	-	85	83	(3)	(85)	(83)	3
* Expense were reduced to reflect 2010 actual costs.									
809 Support Services	-	-	-	25	25	-	(25)	(25)	-
* Flat to 2010 budget.									
810 Marketing	-	-	-	961	931	(29)	(961)	(931)	29
* Budgeted expenses in 2010 were reduced to reflect change in policy to charge all decorating costs to department 840.									
811 Sign Shop	1	1	-	16	25	10	(15)	(25)	(10)
* The increase in request for signs, and type of signs, caused the need for the Sign Shop budget to be increased.									
820 TVC Campaign	-	-	-	80	80	-	(80)	(80)	-
* Flat to 2010 budget.									
840 Operations	-	7	7	535	650	115	(535)	(643)	(108)
* Increase primarily related to the change in policy to charge all decorating costs to department 840.									
860 Box Office	556	606	50	30	31	2	526	575	48
* Revenue increased to reflect 2010 actual.									
861 Administration	3	-	(3)	291	330	39	(288)	(330)	(42)
* Increase in 2011 budget is primarily related to payroll costs. The cost of increases were all added to department 861 (about \$5,000), and employee benefits (employer share of taxes) were increase to correct amount based on salary expectations.									
862 Legal	-	-	-	7	4	(3)	(7)	(4)	3
* Expense were reduced to reflect 2010 actual costs.									
863 Human Resources	-	-	-	13	11	(2)	(13)	(11)	2
* Expense were reduced to reflect 2010 actual costs.									
865 Technology	-	-	-	57	57	(0)	(57)	(57)	0
* Flat to 2010 budget.									
870 Buildings & Grounds	-	-	-	775	744	(32)	(775)	(744)	32
* Expense were reduced to reflect 2010 actual costs.									
901 Grandstand	-	-	-	109	25	(84)	(109)	(25)	84
* Lower budget is due to production costs being accurately move to department 100.									
902 Security	-	-	-	191	100	(91)	(191)	(100)	91
* Lower salary costs.									
903 Coliseum	-	-	-	41	40	(0)	(41)	(40)	0
* Flat to 2010 budget.									
907 Cattle	81	77	(4)	192	187	(5)	(112)	(110)	1
* Flat to 2010 budget.									
908 Ag/Hort	7	5	(2)	56	47	(9)	(49)	(42)	7
* Budgeted expenses in 2010 were reduced to reflect change in policy to charge all decorating costs to department 840.									
909 Farm Bureau	13	12	(2)	9	7	(3)	4	5	1
* Flat to 2010 budget.									
910 Expo Hall	245	260	15	24	16	(8)	221	244	23
* Revenue was increased to reflect 2010 actual; expenses were reduced by decorating costs.									
912 DNR	-	-	-	3	8	5	(3)	(8)	(5)
* Additional sound operating needed, and costs for butterflies add to 2011 budget.									
918 Grand Hall	-	-	-	41	41	-	(41)	(41)	-
* Flat to 2010 budget.									
920 Education	3	3	-	120	122	2	(118)	(119)	(2)
* Expenses increased slightly to reflect 2010 actual costs.									
Total	9,880	10,995	1,115	9,279	10,099	820	602	896	295



Indiana State Fair Commission 2011 Budget Guidance & Assumptions Executive Summary - Indiana State Fair-

Indiana State Fair Commission 2011 Budget Guidance and Assumptions Executive Summary

Indiana State Fair Commission Year-round Business

Guidance: In 2010 most staff was asked to cut expenses by 5% of actual 2009 expenses to establish the 2010 budget. Those responsible were diligent in their efforts to meet the budgeted expectations and the year-round business was a financial success. The guidance given to department heads for the 2011 year-round budget was to stay flat to the 2010 budget; although each department was encouraged to continue to examine 2010 actual expenses and look for more ways to save costs.

In some cases there were justifiable reasons for specific departments to exceed 2010 budgets amounts. The guidance contained flexibility for these instances. A department head could request an increase from 2010 budget expectations with an explanation for the increase. Department heads were also told to submit separate budget requests for major project or equipment purchases required to continue to enhance the Fairgrounds or increase efficiencies

Assumptions:

- **Earned Revenue**

- Admissions Revenue – The 2011 budget for Admissions Revenue is primarily made up of public skating admissions and rebates received from TicketMaster. In prior years the Commission produced, or co-produced a limited number of shows; the revenue earned from these events were considered Admissions Revenue. The Commission does not expect to have any of these types of events in 2011. The 2011 budget is mostly reflective of 2010 actual results.
- Parking Revenue – The actual results for Parking Revenue in 2010 did not meet budgeted expectations. The majority of the negative variance was due to one bad weekend that saw a snow storm hit on the same day the Colts were playing in the Super Bowl. The 2011 budget is higher than the 2010 budget and actual results. This assumes an increase in parking fees from \$3 to \$5 effective September 1, 2011. The increase in parking fees will be reexamined after the first six months of the year. If the Commission feels the total earned revenue budget expectations can be met without the increase, then the increase may be put on hold.
- Rental Revenue – Rental Revenue is made up primarily of building rentals; although it also included ice and skate rental, horse stall rental, camping, and a few other types of rentals. The building rental budget was built by looking at all events already on contract or on hold in 2011, and then adding 5% for events that will be picked up during the year. Ice and skate rentals and camping are based on actual mostly on 2010 activity with a increase based on higher ice time rental rates. Horse stall rental is based on a 90% occupancy rate.
- Recoverables – Services and equipment provided to show producers which are performed or rented from outside vendors are considered Recoverables. This line item has a direct

correlation with building rentals. The 2011 budget is based on a rate calculated by using 2010 actual activity, and reduced slightly to account for less utility reimbursement.

- Concessions Revenue – Concessions are based on 2010 actual results with the expectation of an increase due to an increase in building rental.
- Other Revenue – Other Revenue is primarily made up from three areas; services and equipment supplied to event producers that use in-house resources, sponsorships, and harness racing grants. Like recoverables, the services and equipment in other revenue are directly correlated to building rent and are based on a calculation using 2010 actual activity. Sponsorships and harness racing grants are already know amounts.

- **Payroll Expenses**

- Salaries & Wages – There were two reorganizations done in 2010 that reduced headcount through layoffs, attrition, and outsourcing. This resulted in 2010 actual salaries being about \$200,000 below budgeted expectations. The 2011 budget is based on keeping headcount at the end of 2010 levels and adjusting for State approved increases to take place in February. There is also \$130,000 added for new positions related to year-round sales and engagement based on the results of the strategic plan.
- Employer Paid Benefits – The insurance related Employer Paid Benefits is based on calculations using the end of 2010 employee makeup. Unemployment costs were increased due to the effect of the reorganizations.
- Employer Taxes – The only Employer Tax that the Commission is responsible for is FICA. The budget is based on budgeted salaries times the FICA rate.

- **Fairgrounds Event Costs**

- Direct Event Costs – Event costs are the expenses related to costs that are passed on to event producers in the form of Recoverables revenue. Direct Event Costs, combined with Other Event Costs, are basically equivalent to Recoverables revenue.
- Parking Expenses – This represents the cost of towing cars.
- Other Event Costs – See Direct Event Costs.

- **Operating Expenses**

- Contract Services – Contract Services costs are based on 2010 actual costs, excluding consulting, and then adding \$100,000 in consulting to cover costs related to the Strategic Plan, HR Audit, and other needs.
- Professional Services – In 2010 the Commission outsourced security functions to an outside vendor. This moved a significant cost from Salaries & Wages to Professional Services. There was \$350,000 added to this line item to account for this change. The remaining budget was based on 2010 actual costs.
- Advertising – Advertising is budgeted at an amount agreed upon by the Executive Director and Director of Presentation and Development.
- Printing & Postage – The 2010 actual Printing & Postage expense exceeded budgeted expectations by a large amount. Printing supplies and freight were not taken into consideration in the 2010 budget due to coding of these expenses in previous years. The 2011 budget is based on actual costs in 2010.
- Utilities – The 2011 budget is based on 2010 actual costs. Most of the pricing for utilities is already locked in for 2011, so the only variable is weather.

- Telephone – Internet charges are also included in Telephone expense. These expenses are relatively stagnant each year. The 2011 budget is basically the same as the 2010 actual results.
 - Office Supplies – The category name of Office Supplies can be misleading; included in this category are various items going beyond just pens and paperclips. Also in this category is new technology, copier leases, et cetera. The 2010 budget was not sufficiently set to accommodate all of these expenses. The 2011 budget is based on 2010 actual costs.
 - Maintenance Supplies – The 2010 actual activity fell well below budgeted expectations in Maintenance Supplies. The 2011 budget based on Facility Managements desire to be more proactive in handling maintenance issues. This includes making changes to facilities to make them more energy efficient.
 - Equipment Rentals – Equipment Rental costs were set to be basically flat with the 2010 budget per guidance instructions; with a slight decrease built in for efficiencies.
 - Maintenance Services – The 2011 budget was reduced from 2010 budgeted expectations based on Facility Managements commitment in doing more facility enhancement in-house.
 - Travel & Training – A couple years ago the State mandated a reduction in travel costs in State Agencies. The Commission has followed that mandate in keeping travel costs to a minimum.
 - Food & Clothing – The Clothing costs are related to uniforms for facility management employees and budgeted to be consistent in 2011 to the 2010 budget. Food encompasses several different types of expenditures: food at quarterly all staff meetings, coffee, food purchases for birthday parties in connection with public skating, and in some cases food purchased for employees when they are asked to go “beyond the call of duty” when changing out buildings. The 2011 budget is based on 2010 actual activity.
 - Other Operating Expenses – There are three major items that are considered Other Operating Expense: premiums paid with grant funds received from harness racing, property insurance, and bank/credit card fees. The premiums paid and property insurance costs are known costs; although about \$20,000 was added to the 2011 budget anticipating the possibility of insuring more buildings. Bank and credit card fees are based on 2010 actual activity.
- **Non-Operating Revenue/(Expense)**
 - Riverboat & PariMutual – Riverboat funds have both a floor and ceiling of about \$6.2 million, and that is what is in the 2011 budget. The actual amount can fluctuate from year to year since the Commission is on a calendar year and the State’s fiscal year ends June 30th. PariMutual funds are budgeted at \$275, 000. These funds used to be around \$300,000 but have went down as the economy has suffered.
 - Mil-Tax/General Fund – There is no expectation to receive Mil-Tax in 2011. The General Fund appropriation has already been set at \$600,000; which is what is budgeted for 2011. This amount could change based on the biennial budget passed by the State.
 - Interest Income – The Commission has repo accounts and a million dollar CD at Chase Bank; other investments are restricted funds at The Bank of New York, and funds on deposit with the State Treasury. The 2011 budget is based on estimated interest earned on these investments.

- Debt Service – This represents the actual debt service payment due on the 2002 bond.
- Major Projects – The budget for Major Projects, which also include equipment purchases, is determined each year based on needs and available funds. The 2011 budget is based on the following:

▪ Roof projects remaining from 2010 *	\$325,000
▪ Recommended projects for 2011 **	\$769,500
▪ Recommended equipment purchases in 2011 **	\$155,500
▪ Discovery Hall (including tenant improvements)	\$2,900,000
▪ Discovery Costs for Pepsi Coliseum	\$600,000

Funds to be used for the Discovery Hall, including tenant improvement, and the discovery costs for the Pepsi Coliseum come from set aside in previous years as “earmarked” for these projects.

* The roof projects remaining from 2010 are being paid for by the leftover funds from the \$1.7 million received in 2009 in Mil Tax.

** The recommended projects in 2011 need further review prior to approval by the Commission. The final list of projects will be presented at the February meeting.

Indiana State Fair Commission

Fairgrounds Year Round Business Budget Template

Total Fairgrounds Budget

	2010 Budget	2010 Estimated Actual	2011 Budget	'10 Est. Vs '11 Bud. Increase/(Decrease)	
FAIRGROUNDS EARNED REVENUE					
Admissions Revenue	\$ 373,650	\$ 246,310	\$ 250,000	\$ 3,690	1.5%
Parking Revenue	855,000	815,137	901,500	86,363	10.6%
Rental Revenue	2,141,600	2,249,110	2,526,000	276,890	12.3%
Recoverables	729,328	984,260	1,040,350	56,090	5.7%
Concessions Revenue	710,000	725,932	745,000	19,068	2.6%
Other Revenue	1,154,938	1,725,139	1,644,500	(80,639)	(4.7%)
Total FAIRGROUNDS EARNED REVENUE	5,964,516	6,745,888	7,107,350	361,462	5.4%
PAYROLL EXPENSES					
Salaries & Wages	3,805,347	3,627,498	3,344,200	(283,298)	(7.8%)
Employer Paid Benefits	1,102,160	1,090,336	1,096,500	6,164	0.6%
Employer Taxes (FICA)	298,298	263,637	252,000	(11,637)	(4.4%)
Total PAYROLL EXPENSES	5,205,805	4,981,471	4,692,700	(288,771)	(5.8%)
FAIRGROUNDS EVENT COSTS					
Direct Event Costs	728,425	711,201	741,950	30,749	4.3%
Parking Expenses	3,000	2,225	3,000	775	34.8%
Other Event Costs	236,500	189,233	164,800	(24,433)	(12.9%)
Total FAIRGROUNDS EVENT COSTS	967,925	902,659	909,750	7,091	0.8%
OPERATING EXPENSES					
Contract Services	839,000	786,561	797,500	10,939	1.4%
Professional Services	452,800	410,118	753,100	342,982	83.6%
Advertising	205,200	181,747	196,200	14,453	8.0%
Printing & Postage	86,970	114,607	112,000	(2,607)	(2.3%)
Utilities	1,584,000	1,587,585	1,591,335	3,750	0.2%
Telephone	45,000	33,601	32,500	(1,101)	(3.3%)
Office Supplies	113,375	144,511	137,375	(7,136)	(4.9%)
Maintenance Supplies	581,975	447,210	545,250	98,040	21.9%
Equipment Rentals	43,200	18,900	30,500	11,600	61.4%
Maintenance Services	92,000	112,260	43,000	(69,260)	(61.7%)
Travel & Training	9,750	5,598	6,250	652	11.6%
Food & Clothing	31,860	40,838	49,300	8,462	20.7%
Other Operating Expense	297,100	609,003	611,025	2,022	0.3%
Total OPERATING EXPENSES	4,362,230	4,492,539	4,905,335	412,796	9.2%
TOTAL PAYROLL/EVENT/OPERATING EXPENSE	10,535,960	10,376,669	10,507,785	131,116	1.3%
NET INCOME/(LOSS) FROM OPERATIONS	(4,571,444)	(3,630,781)	(3,400,435)	230,346	6.3%
NET FAIR INCOME/(LOSS)	600,000	1,246,650	896,000	(350,650)	(28.1%)
NON-OPERATING REVENUE/(EXPENSE)					
Riverboat & PariMutual	6,500,000	6,545,298	6,475,000	(70,298)	(1.1%)
Mil Tax/General Fund	400,000	681,622	600,000	(81,622)	(12.0%)
Interest Income	35,000	40,290	40,000	(290)	(0.7%)
Debt Service	(2,166,368)	(2,166,368)	(2,148,805)	17,563	(0.8%)
Major Projects (see 4 year plan for footnotes)	(1,700,000)	(1,483,507)	(4,750,000)	(3,266,493)	220.2%
Total NON-OPERATING REVENUE/(EXPENSE)	3,068,632	3,617,335	216,195	(3,401,140)	(94.0%)
TOTAL NET INCOME/(LOSS)	\$ (902,812)	\$ 1,233,204	\$ (2,288,240)	\$ (3,521,444)	(285.6%)